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DRMI Newsletter

Defense Resources Management Institute, Naval Postgraduate School, Monterey, California

Issue 28

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April 2009



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C.J.'s Corner – Comments from Dr. C.J. LaCivita, Executive Director, DRMI



Over the last twenty years, the Department of Defense (DoD) has increasingly turned to contractors (outsourcing) to perform a wide variety of functions. A study conducted several years ago found that the DoD employs more contractors (740,000) than civilians (680,000). Another recent study found that the DoD has more contractors than military personnel in Iraq. While the use of contractors can lead to increased cost-effectiveness,

there seems to be a general feeling that the DoD is using contractors in inappropriate ways. For example, a Congressional Research Service report published in July 2007 noted that, "Iraq appears to be the first case where the U.S. government has used private contractors extensively for protecting persons and property in potentially hostile or hostile situations where host country security forces are absent or deficient."

(See "C.J.'s Corner" on page 2.)

Feature Article

Preparing for the 60th Anniversary NATO Summit, by way of Monterey, by Dr. Francois Melese*



The Naval Postgraduate School hosted a major North Atlantic Treaty Organization (NATO) conference on Building Integrity and Defense Institution Building in Monterey, CA, 25-27 February 2009. NPS organized the conference in part

to fulfill its role as NATO's North American Partnership for Peace (PfP) Education and Training Center, the only such training center in North America. The conference took stock of NATO's new Building Integrity Initiative. Building integrity, increasing transparency, and improving accountability in defense establishments has

tries. In a precedent-setting move, NATO also invited major international organizations including the United Nations, the European Union, the World Bank, the International Monetary Fund (IMF), the Organization for

(See "NATO" on page 14.)



Ambassador Stuart Eldon addresses the NATO conference (U.S. Navy photo by Javier Chagoya.)

become an integral part of NATO's Euro-Atlantic Partnership Council (EAPC) "Partnership Action Plan and Defense Institution Building" (PAP-DIB) program first endorsed at the Istanbul Summit, and re-affirmed last year at the Bucharest Summit. The NATO meeting brought together 170 experts and senior officials from 30 NATO members and PfP coun-



VADM Daniel Oliver (Ret.), NPS president (right corner) and U.S. Assistant Secretary of Defense for Global Security Affairs, Mr. Joseph Benkert (to VADM Oliver's right) at the NATO conference (U.S. Navy photo by Javier Chagoya.)

C.J.'s Corner (Continued from page 1.)

Outsourcing, also known as competitive sourcing, occurs when companies hire outsiders to do work typically performed inside the organization. Organizations outsource work for several reasons: 1. Outsourcing can reduce costs. A number of studies have shown that the DoD has reduced costs due to its use of outsourcing. 2. It can change the organizational culture because it makes employees more aware of what the work costs to perform. 3. It allows the organization to focus on its core competencies, i.e., those things that are integral to its mission. DoD core competencies are warfighting, policy, oversight and management.

Basic principles to guide outsourcing decisions include: 1. Do not outsource core capabilities. If one purpose of outsourcing is to allow the organization the ability to focus on its core competencies, then clearly the organization should not outsource these capabilities. 2. A competitive commercial market must exist for the activity. Outsourcing into a non-competitive market will lead to much higher costs when it's time to renegotiate the contract. 3. Outsourcing must result in best value, not just lower costs, i.e., the organization should consider both cost and effectiveness in its outsourcing decisions.

As I noted above, some, particularly in the Congress and in the Obama administration, believe that the DoD, and federal government agencies in general, has violated some or all of these basic principles. As a result, government officials have made efforts to reduce outsourcing in the federal government. The 2009 omnibus appropriations bill prohibits the use of government funds to study or to hold public-private job competitions for the remainder of fiscal 2009. So, while the DoD will probably face some limits on the amount of outsourcing it uses in the near future, it is likely that outsourcing will remain a viable tool for managing resources. ■

DRMI Makes Headlines!

NPS teaches the business of military, by Mr. Kevin Howe, Staff Writer, Monterey County Herald*

Steve Hurst's favorite metaphor for teaching people how to manage government department budgets is the BlackBerry. "You buy it for \$199," he said, "then you're committed to paying \$80 a month service charges for two years." The same principle, he said, applies to buying a new truck, a jet fighter or any other item. The initial cost is just part of it. Maintenance, repair, facilities, training — "You have to factor in the life-cycle costs," said Hurst's colleague, Luis Morales. Hurst, a retired Marine lieutenant colonel, and Morales, a retired Army lieutenant colonel, have just returned from their latest trip to Iraq, where they taught ministers of many government departments how to manage their money. Hurst and Morales are lecturers with the Naval Postgraduate School's Defense Resources Management Institute. The institute started in 1965 under Defense Secretary Robert McNamara to teach the military to make business decisions based on principles McNamara brought from his time as president of Ford Motor Corp.



Senior Lecturer Steve Hurst during the Herald interview
(Photo by Monterey County Herald Staff Photographer.)

Effective and affordable

Hurst and Morales conduct classes in resource management worldwide. Hurst said he has presented 65 courses in 43 countries since joining the NPS faculty in 1989, including five trips to Iraq since Saddam Hussein's government was toppled. Their Feb. 15-25 assignment was Morales' third teaching trip to Iraq. Morales, on the NPS faculty from 1995 to 1999, rejoined the school in 2004. Their travels have taken them to Asia, Africa and Latin America, teaching government ministers through translators when they can't speak the local language. The central concept they try to convey, Hurst said, is to look at a purchase from a systems point of view. An attack jet or an artillery piece are both systems for delivering high explosives. A country's defense minister should look at what he might need to destroy, and choose the most effective and affordable system to do so. In the case of delivering high explosives, Hurst said, a squad of infantry might be the most effective way to go. "We want them to think outside the box, to look at the purpose for buying the system," he said.

"We want them to think outside the box, to look at the purpose for buying the system."

— Senior Lecturer Steve Hurst

(See Hurst & Morales on page 3.)

Hurst & Morales (Continued from page 2.)

Real threats

Different countries have different defense needs, Hurst said. Literacy, job training and road systems can be considered security issues as much as weapons and transport. "You don't see people with jobs being suicide bombers," he said. Hurst said he and Morales present nine-day courses and "try to get as many ministers from different departments in the same room as possible." Not every country needs the same thing. A small country such as Botswana, with no enemies on its borders, would probably have no need for heavy-lift, long-range transport aircraft or high-tech weaponry. A defense minister, Hurst said, might consider chartering FedEx or UPS jets as needed, rather than procuring a fleet of transport planes. "A lot of defense ministers think in terms of sexy weapons," Morales said. "Everyone wants to be high-speed, high-tech. We ask them, 'What do you really need? What are your real threats or challenges? Can you afford to buy and maintain it?'" Most countries are "defensively oriented, fortunately," Hurst said. "They have no offensive aspirations." The military's chief mission in some areas is to maintain the government in power, Morales said. In all cases, countries have "limited resources and abundant alternatives," he said, and choosing priorities is the crux of defense management.



Lecturer Luis Morales during the Herald interview (Photo by Monterey County Herald Staff Photographer.)

Travels in Iraq

The two don't try to foist an American management culture on their students, Morales said, but they teach international best practices to "show how the rest of the world does it, give them something to strive toward, and get them interested in being part of the international community." Traveling to Iraq is an adventure that begins with landing in Kuwait, then cadging transport by helicopter, armored vehicle or convoy to Baghdad. Both are issued helmets and body armor to keep with them during their stay. They try to avoid being lulled into forgetting they are in a war zone. Apparent normalcy around them can be shattered by a mortar shell, homemade bomb or sniper's shot. "Iraq," Hurst said, "is always a crapshoot." ■

"Everyone wants to be high-speed, high-tech. We ask them, 'What do you really need? What are your real threats or challenges?'"

— Lecturer Luis Morales

* The Monterey County Herald originally printed this article on 12 March 2009. DRMI reprinted this article with the Herald's permission.

From DRMI to *The Economist*

Economist.com

The Economist printed a letter Dr. Francois Melese wrote in response their article, "Take heart: PTSD sufferers deserve a medal," which appeared in the 26 February 2009 issue. To read Dr. Melese's letter, which includes an embedded link to the original article, please see:

http://www.economist.com/opinion/displaystory.cfm?story_id=13315574 ■

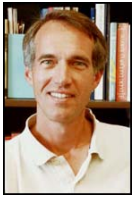
Past DRMI participant shares experiences

Mr. William "Bill" Harris (DRMC 08-4) wrote an article about his experiences at DRMI entitled, "Defense Resource Management Course (DRMC)." The article appeared in the

February 2009 edition of the American Society for Military Comptrollers (ASMC) Quantico Gazette. ■

DRMI News

Congo MIDMC, by Senior Lecturer Allan Polley



DRMI held its first mobile course in the Democratic Republic of Congo, 23-27 March 2009. The DRMI faculty team consisted of Dr. Jim Airola, Lt Col Fred Bellamy, USAF and Senior Lecturer Allan Polley (course coordinator). The diverse mix of 31 participants represented all of the services and was a very lively group. The

Vice Minister of Defense, Mr. Masamba Mantemo, the U.S. Deputy Chief of Mission, Mr. Samuel Brock, and the Chief of Defense, LTG Didier Etumba Longila, opened the course. The Secretary General of Defense, RADM Kabulo, as well as Colonel Bofale, representing the Chief of Defense attended the closing ceremony, emphasizing the high-level support for the course.

Plans are ongoing for one, possibly two, follow-on courses in 2010. The DRMI course was a natural continuation of work begun in several Center for Civil Military Relations (CCMR) and Defense Institute for International Legal Studies (DIILS) courses, demonstrating the value of teamwork within the Global Center for Security Cooperation consortium. ■



First Congo MIDMC class photo

IDMC 09-1



IDMC 09-1 participants on the Monterey peninsula tour

The International Defense Management Course (IDMC) 09-1 began on 2 February and will conclude on 15 April. The first week of the course included an opening reception where participants met their community hosts, the Tempo Military Planning Game, an attitude adjustment party, a rainy day game of miniature golf with the faculty, and the Monterey peninsula tour. IDMC 09-1 participants also enjoyed a very successful trip to Washington D. C. (For greater D.C. trip detail, please see, "IDMC 09-1 trip to Washington, D.C.") ■



IDMC 09-1 class photo

IDMC 09-1 trip to Washington, D.C., by Ms. Charlie Orsburn



Field Studies Program Manager, Ms. Charlie L. Orsburn, CDR Joel Modisette and Ms. Kathleen Noyes, accompanied the participants of IDMC 09-1 on a trip to Washington, D.C., 10-15 March 2009. While in D.C., participants

took a city tour and met with Congressman Sam Farr (D-CA) and Ms. Anne Marie Chotvacs, Professional Staff Member, Subcommittee on State, Foreign Operations, and Related Programs, Committee on Appropriations. Both Representative Farr and Ms. Chotvacs engaged the participants in lively discussions and the occasional debate.

Participants also received briefings from the following U.S. Department of State employees: Mr. Jason H. Greer, Director, Office of Congressional and Public Affairs; Mr. Thomas Reott, Acting Deputy Director in the Office for Afghanistan, Bureau of South and Central Asian Affairs; Ms. Judee Allen-Close, Senior Action Officer, Office of Regional Affairs, Bureau of International Security and Nonproliferation; and Mr. Chat Blakeman, Deputy Coordinator for Iraq, Office of the Secretary and former Director, Bureau of Near Eastern Affairs. The briefers sought participants' opinions on such issues as nuclear nonproliferation in Iran and the withdrawal of American troops from Iraq. The Institute for Defense Analyses (IDA) provided the final day's briefings. Additionally, participants visited many significant monuments and museums, including the Jefferson Memorial, Arlington National Cemetery and the National Air and Space Museum Steven F. Udvar-Hazy Center. ■



IDMC 09-1 participants in front of the White House (top photo) and in a State Department briefing (above).

Iraqi Budget Preparation and Execution Workshop, by Senior Lecturer Stephen Hurst



On February 25th, U.S. Army Brig. Gen. Charles Luckey, Multi-National Security Transition Command - Iraq (MNSTC-I), Security Assistance Officer, presented certificates to over 40 attendees at DRMI's Budget Preparation and Execution Workshop in Baghdad, Iraq.

Workshop participants came from the Iraqi ministries of interior, defense, finance, and justice, along with the counter-terrorism bureau. The workshop was a nine-day event designed as a follow-up to an August 2008 workshop held in Monterey that focused on general resources management for the ministries and bureaus.

(See "Iraq Workshop" on page 6.)



Crossed swords mark the entrance to Baghdad

Iraq Workshop (Continued from page 5.)

The February workshop concentrated on the budget preparation and execution process, to include life-cycle costing and effectiveness analysis. In addition, the workshop facilitated inter-ministerial discussions on Government of

Iraq's ability to efficiently and effectively manage public resources and on developing international best practices in resource management for government entities.

The workshop brought all these ministries together in one room where they were able to interact; this interaction is perhaps equally important to the information DRMI itself presents.

DRMI lecturer Louis Morales, who also taught during the workshop, said, "We came here and asked the ministries what their shortcomings were with regard to education and training. Their reply to us was better project management, better budget preparation and execution and a better understanding of costs."



Iraqi Budget Preparation and Execution Workshop participants

Sabah Al-Ibrahim, Budget Director for the Ministry of Finance, said, "The workshop was very significant and important for us to help develop skills in our work. This is especially true in a time when we move towards democracy. Now we will apply the skills for our economy through budgeting. Finance will work for the military, which will

help in the defense of our country. Because of the skills learned by the attendees of this workshop, we are all specialists in budget and finance. We are grateful for the continued support of the government of Iraq."

Counter-Terrorism Bureau Deputy Director Abdul Abbas Mohamed said, "I now have additional information to put together a budget that will pass through stages before approval. When we execute the budget, we will put in our minds all the information from the instructors and from the other attendees of this conference."

Hurst and Morales will be returning to Iraq in April to present a similar workshop at the High Institute of the Baghdad Police College. ■

El Salvador MIDMC, by Senior Lecturer Larry Vaughan



DRMI completed its eighth (since 1994) Mobile International Defense Management Course (MIDMC) 9-20 February 2009 in San Salvador, El Salvador. Senior Lecturer Larry Vaughan led the team, which also included Associate Professor Anke Richter, Senior Lecturer Don Bonsper, and LTC Mark Hladky.

The course provided an opportunity for highly qualified and motivated participants to discuss and analyze the implications of effective defense resources management and facilitated a productive interaction between military and civilian participants. The class consisted of nineteen military and thirteen civilians. The diverse group of civilian participants included representatives from the Attorney General's Office, the Family Welfare Secretariat, the Ministry of Education, firefighters, the Inspector General's Office, military hospitals, the Ministry of Health, the penal centers, the Ministry of Public Safety, the Ministry of Tourism and four independent representatives of the private sector. Military representatives included officers from the Army, Navy, and Air Force.



El Salvador MIDMC participants hard at work

The course started with a short welcome by Senior Lecturer Don Bonsper. DRMI faculty then divided participants into small groups, asked them to analyze a series of resources management scenarios and make recommendations to the entire class. The scenarios included issues about evaluating the cost and effectiveness of military equipment acquisitions, outsourcing services and training, and looked at several

(See "El Salvador" on page 7.)

El Salvador (Continued from page 6.)

national investment alternatives. By the end of the first day, the participants were deeply involved in the issues of opportunity costs and the limits imposed by real world resource limitations. On the second day, they enthusiastically played the TEMPO Military Planning game and by the third day, they were ready for the more structured concepts drawn from the disciplines of economic analysis, decision science and management systems. The participants maintained their intense concentration throughout the case studies, problems, lectures and discussions that followed during the two-week period.



EL Salvador MIDMC participants

The Military Group (MILGP) hosted the closing ceremony; Mr. Pablo Zelaya of the Ministry of Labor (a part-time course participant) served as the master of ceremonies. COL Arie Bogaard (the Commander of the U.S. MILGRP), Maj. Heber Toro (the MILGRP Air Force Section Chief) and Ms. Annie Schwartz (Training Specialist) represented the U.S. Embassy. The Chief of Staff of the Armed

Forces of El Salvador, GEN Ruben Oswaldo Rubio Reyes (a graduate of DRMI mobile course MIDMC 95-8) provided the closing comments. ■

Marine Corps Practical Comptrollership Course, by LtCol Scott Griffith



From 23-27 February 2009, LtCol Scott Griffith coordinated a one-week Marine Corps Practical

Comptrollership Course for United States Marine Corps (USMC) junior officers and equivalent government civilians. NPS faculty members, Dr. C.J. LaCivita, DRMI and CAPT (ret.) John Mutty, Graduate School of Business and Public Policy (GSBPP) taught PPBES history and the congressional budget process to the 26 participants. Participant backgrounds spread across the full spectrum of USMC financial management (FM) sub-specialties (accounting, auditing, budgeting, comptroller, and disbursing) including both appropriated and non-appropriated funds.



Marine Corps Practical Comptrollership Course participants

In addition to PPBES history and the congressional budget process, visiting lectures and subject matter experts from various USMC commands covered segments on contracting, acquisition, fiscal law, ethics, accounting, and performance measures. The course also briefly highlighted the National Security Personnel System (NSPS), the Defense Travel System (DTS), and the

Government Travel Charge Card Program (GTCCP). The course closed with some real world fiscal law case studies taken from past comptroller general decisions. The Marine Corps Practical Comptrollership course tailored an introduction of topics for Marine FMs' practical use as they advance in their careers. ■

USMC Senior Financial Managers Seminar, by LtCol Scott Griffith

From 3-5 March 2009, LtCol Scott Griffith hosted a United States Marine Corps (USMC) Senior Financial Managers seminar. Approximately 50 participants attended the seminar, including four Senior Executive Service (SES) members, 30 Col/GS15, and 15 LtCol/GS14 from across the Marine

Corps bases and stations, operating forces commands, and headquarters. The seminar is an annual executive working group, where every presenter is a seminar participant.

(See "USMC Seminar" on page 8.)

USMC Seminar (Continued from page 7.)

The Deputy Commandant for Programs and Resources, LtGen Thiessen, as the senior advocate for the USMC financial management community, began the seminar via VTC from the Pentagon. DRMI generously offered use of the lecture hall for the VTC, which went swimmingly since the lecture hall is able to accommodate such a large audience. During the first day of the seminar, participants discussed topics such as continuous process improvement and the linkages to risk management and internal controls as well as fiscal law issues and the National Security Personnel System (NSPS). Day two began with an update on the USMC progress toward a clean audit opinion. During the morning we discussed financial management issues in a deployed environment as well as the use of emergency and extraordinary expense (EEE) funds. We finished the second day talking about an assessment of USMC current execution,



USMC Financial Mangers Seminar participants

Office of the Secretary of Defense (OSD) facilities programming models, and a Defense Finance and Accounting Statistics (DFAS) status update. The final day we looked ahead at our 202K growth the force initiative and predictions about near term and long term budgets. We wrapped up the week by discussing determinations and findings (D&F) requirements and unauthorized commitments as well as an overview of FM training opportunities for our Marines and civilians.

LtCol Griffith notified seminar participants that DRMI's four-week defense resources management course (DRMC) is an alternative to the four-week defense financial management and comptroller course at Maxwell AFB. Furthermore, LtCol Griffith also recommended a, defense-focused, executive masters of business association (EMBA) program, recently developed here at NPS for participating government civilians. ■

DRMI mourns passage of longtime community host and friend



Mrs. Anne Sheffield Friedrich, age 70, a DRMI community host for more than ten years passed away on 1 February 2009.

Born 7 August 1938 in Sacramento, California, Mrs. Friedrich attended local schools, graduating from Monterey High School, Gabilan College in

Gilroy and receiving her BS from Chapman University at age 60, where she worked in the finance department.

Mrs. Friedrich was very supportive of the community host program and of our participants. DRMI will miss her very much. ■

Participant News

SIDMC 08 class notes

Colonel Hasny bin Md Salleh, Malaysian Armed Forces Defence College sent DRMI his greetings.

SIDMC 07 class notes

Colonel Marcelo Daniel El Nayar, Argentine Army, sent DRMI his greet-

ings. Col. El Nayar also attended Argentina MIDMC 05-13.

DRMC 07-4 class notes

CDR Ken Struve, U.S. Navy Reserve, writes that he just started his second quarter as a distance-learning student in the NPS Master of Systems Analysis program. He is currently working (and studying) at the Navy Personnel Com-

mand in Millington, TN, where he is performing a year of active duty.

IDMC 07-2 class notes

Major Flora Dako,* Albanian Army General Staff (GS) writes, "I am really happy to hear from you, and I really

(See "IDMC 07-2 class notes" on page 9.)

IDMC 07-2 class notes (Continued from page 8.)

thank you so much for keeping in touch with us. Here in GS are quite a lot people who have been part of IDMC and we often get together and talk about the most beneficial experience in our life. And the highest your warm friendship to us. So, if it was allowed, we would have pointed all the DRMI instructors at the top position. [...]

I am still at the position of the budget sector chief. Meanwhile, I am attending a Masters Degree in Public Administration (Part time). Yes, it's very hard, but it will be helpful for my future. As you may know, at the beginning of April, Albania is going to be full part of NATO club. And that is a good opportunity for our life and our future. So, please, be part of our celebration. I wish all the best to you."

*Major Dako also attended Albania MIDMC 06-4.

Argentina MIDMC 02-13 class notes

The Argentine Army promoted Major General Gustavo Adolfo Landa (MIDMC 02-13 and NPS, Masters Degree in Information Technology Management, 1995) to his current rank in December, 2008. Following an appointment as the J4, Joint Military Staff, he is in charge of implementing the new Joint Staff organization. He will be responsible for short, middle, and long-term planning of Material, Human Resources and Budgeting. ■

Conference Presentations & Research

Dr. McNab's co-authored paper appears in SSRN Top Ten List



The Social Science Research Network (SSRN) recently listed a paper Dr. Robert McNab co-authored with Dr. Jorge Martinez-Vazquez on its "Top Ten download list for ITEM: Fiscal Policy & Institutional Change in Transition Economics." To view the top ten list for the journals, please see:

<http://papers.ssrn.com/sol3/topTen/topTenResults.cfm?groupingId=1332726&netorjnl=jrnl>

As of 03/05/2009 the paper had been downloaded 134 times.

To view the abstract and download statistics, please see:

<http://papers.ssrn.com/abstract=470841>

Congratulations, Dr. McNab! ■

Stanford Social Innovation Review interviews Dr. Natalie Webb



In January, Dr. Natalie Webb conducted a telephone interview with the editor of the *Stanford Social Innovation Review* (<http://www.ssiireview.org>) on occupation and volunteering. She and her coauthor, Dr. Rikki

Abzug, studied occupation categories and volunteering to charitable (501c(3)) organizations, and found that although managers, professionals, and military personnel are in "time-greedy occupations," they are the people who are most likely to volunteer their time. ■

Publications

Amara, J. (2009). U.S. Jordan Bilateral Relations. In R. Looney (Ed.), *Handbook of U.S.-Middle East Relations*. Routledge. London, UK. ■

Curriculum Developments, Teaching News & Service

Dr. Jomana Amara advises two masters theses



Dr. Jomana Amara was the primary thesis advisor to two masters students who completed their thesis and course requirements in March to graduate from the Naval Postgraduate School.

LT Lance A. Taylor, USN graduated with a Master of Arts in Security Studies (Far East, Southeast Asia, Pacific). His thesis was entitled, "Five Years of Chinese World Trade Organization Negotiations and the Impact on Domestic Agriculture Market Liberalization." His thesis examined China's role in the World Trade Organization (WTO). China participated in the Doha

agriculture negotiations. The 2003 and the 2006 negotiations collapsed; and in 2008, China sided with India causing the talks to collapse again. The thesis studies whether China reverted to protectionism, moving away from market liberalization and what the liberalization indicators and negotiations stances from 2003 to 2008 say about China.

LT Darol D. M. Fiala, USN, with a Master of Science in Operations Research. His thesis was entitled, "Cost Analysis of Electric Grid Enhancement Utilizing Distributed Generation in Post-War Reconstruction." His thesis researches the viability of integrating distributed generation (DG) resources,

such as wind turbines, photovoltaic panels, and microturbines into the portfolio of power generation choices, by quantifying the fully burdened cost of electrical generation in war-torn regions. LT Fiala uses Iraq as the sample case for investigating the viability of using DG technologies to enhance the existing electric grid. The fully burdened cost is expressed in the annual life-cycle cost (LCC) of each of the five systems (microturbines, diesel generators, photovoltaic panels, wind turbines and large-scale natural gas turbines) researched, "levelized" to \$/kW. LCC includes capital costs, operation and maintenance, fuel costs, energy storage and security. ■

Dr. Jomana Amara teaches course on global economics

Dr. Jomana Amara is teaching a course entitled, "The Politics of Global Economic Relations: Examination of the World Economy. The course focuses on the implications for the United States over changes in the world trading and financial systems.

The course covers the following topics: trade patterns, economic integration, trade blocs, new international economic order and international economic organizations. ■

Dr. Diana Angelis teaches Engineer Economics and Cost Estimation



Professor Diana Angelis taught "Engineering Economics and Cost Estimation" for the Systems Engineering department this spring quarter. NPS requires the course for its resident students in the masters degree in systems engineering. The course is an introduction to the cost aspects of systems

engineering. It explores cost from a decision-making perspective, examining how cost is used to select alternatives and how the cost of systems can be measured. Concepts covered include economic analysis, cost behavior, cost allocation, system cost, life-cycle costs, cost over time, cost estimating techniques, cost uncertainty, and risk management. ■

Dr. Anke Richter advises two masters theses



Dr. Anke Richter was the primary thesis advisor to two masters students who completed their thesis and course requirements in March to graduate from the Center for Homeland Defense and Security at the Naval Postgraduate School.

CDR Dana Hall, USN, Assistant Secretary for Preparedness and Response, Department of Health and Human Services, examined the capacity and preparations within the U.S. medical system to respond to a mass casualty event and compared them to the services that were used to respond to four recent mass casualty events. The study of four cases showed that improved triage accuracy, rapid

movement to definitive care, implementation of damage control procedures, and coordinated and collaborative regional preparedness reduced critical mortality. The medical community must not make the faulty assumption that a change in the standard of care during a mass casualty event is a rationing of care since critical

(See "Richter" on page 11.)

Richter (Continued from page 10.)

mortality rates can be reduced.

John Foley, Joint Task Force Civil Support, U.S. Northern Command, explored pandemic planning efforts across federal and state jurisdictions to determine if and how the absence of collaboration could have major consequences upon the population of

the United States. He rated the adequacy of state and federal pandemic plans using a standardized template covering communications, mortuary affairs, medical, command and control, transportation, public affairs, and logistics. Analyzing the individual state plans and Health and Human Services' (HHS) Pandemic Influenza Plan

revealed common deficiencies, and disclosed distinct functional areas where stringent collaboration across multiple jurisdictions and functional areas would mitigate the deficiencies and provide a blueprint for potential development into an all-hazards national catastrophe plan. ■

Dr. Natalie Webb presents session on performance management

Dr. Natalie Webb presented a session on performance management and budgeting to more than ten SES (Senior Executive Service) career professionals on 2 February 2009. Dr. Craig College,

Assistant Chief of Staff for Installation Management and Ms. Barbara Heffernan, Resource Director, Office of the Assistant Chief of Staff for Installation Management arranged her talk. Dr. Webb also visited several of

Dr. College's staff to talk resources management and the change in administration. ■

Dr. Natalie Webb visits Deputy Comptroller to discuss comptroller course development

On February 3rd, Dr. Natalie Webb visited Mr. Kevin Scheid, Deputy Comptroller for Strategy, Capabilities and Acquisition, Office of the Secretary of Defense, to discuss DRMI's preparation of a course for comptroller

staff. Drs. C.J. LaCivita, Diana Angelis, Bob McNab and Webb, and Senior Lecturer Allan Polley worked on the proposed outline of material presented to Mr. Scheid. Preparation for the course continues. During the same

visit, Dr. Webb visited with personnel at the Program Analysis and Evaluation staff (PA&E) to discuss resources management, capabilities-based planning, and other current issues. ■

Dr. Natalie Webb visits Lithuanian MoD

Dr. Natalie Webb visited the Ministry of Defense, Vilnius, Lithuania, 26-27 February 2009 to discuss upcoming courses on capabilities-based planning and project management to be held in Vilnius in May. Mr. Arnas Veselauskas, Training Programs Manager, Office of Defense Coordination (ODC), Lithuania and Ms. Laima Petrauskaite, Senior Specialist, MoD Resources and Programs Department and a DRMI graduate (MIDMC 05-1, IDMC 08-1) coordinated the visit.

Present at the meetings were:

- MoD Resources and Programs Department: Mr. Rimas Jonaitis, Director, Mr. Robertas Jarulaitis, Deputy Director and Ms. Petrauskaite;
- Logistics and Information System Department: LTC Valdas Dambrauskas, Director and MAJ Robertas Kopustas, Chief of Logistics Management Division;
- Capability Development and Planning Department: LTC Vaidas Bernotas, Chief of Transformation Division and LTC Saulius Guzevicius, Chief of Capability Development Division;
- Logistics Command: CPT Modestas Juska, S2/3 officer; and
- ODC: LTC Richard Gibbons, Chief and Mr. Veselauskas.

The group discussed curriculum, readings, schedules and materials for the upcoming courses. ■

Dr. Natalie Webb serves on GSBPP promotion and tenure committee

Fall 2008-Spring 2009, Dr. Natalie Webb served on the promotion and tenure committee for Assistant

Professor Yu-Chu Shen of the NPS Graduate School of Business and Pub-

lic Policy (GSBPP). GSBPP awarded Dr. Shen tenure on 1 April. ■

Dr. Natalie Webb visits Norwegian Chief of Defense Staff and Norwegian MoD

Dr. Natalie Webb visited the Chief of Defense Staff and the Ministry of Defense (MoD) in Oslo, Norway, 23-24 February 2009. During her visit, she met with Admiral Louise Bastviken

(SIDMC 06), the commanding officer of the Norwegian Education Command to discuss future possibilities for enrollment of Norwegian officers in DRMI courses. She also met with

members of the MoD staff to discuss continued participation of Norwegian defense civilians in DRMI courses. ■

Dr. Natalie Webb serves as *Nonprofit and Voluntary Sector Quarterly* reviewer

Dr. Natalie Webb served as a reviewer for *Nonprofit and Voluntary Sector Quarterly* (NVSQ). The NVSQ is the top

nonprofit academic and practitioner journal in the United States, affiliated with the Association for Research on

Nonprofit Organizations and Voluntary Action. ■

Drs. Natalie Webb and Anke Richter discuss capabilities-based planning and planning systems

Admiral Heinrich Lange, Head of Planning Division, Armed Forces Staff, Ministry of Defense, German Armed Forces, invited Dr. Natalie Webb to Germany and Belgium to discuss capabilities-based planning and the NATO and EU planning systems. From 29 February to 5 March, Dr. Webb and Dr. Anke Richter attended numerous meetings and presentations on these topics, organized by LTC Joachim Bartels, German MoD. Their visit began with a dinner and tour of Cologne (Germany) Cathedral on Sunday, 1 March with Adm. Lange. On March 2nd, Drs. Webb and Richter visited the German MoD and received briefings on German top-down defense planning methodology, capabilities-based planning, capability development and interoperability. On the bus to Brussels, Drs. Webb and Richter received a briefing on NATO defense planning. At NATO Headquarters the same day, they attended a planning session for a multilateral meeting to be held the next day. The evening dinner was held at a German restaurant with

Drs. Webb and Richter feel they learned many things that will be useful to teaching and conducting research at



From left to right: Hans Peter Thiefield, Adm Heinrich Lange, Drs. Webb, & Richter, and Lt Col Joachim Bartels

approximately ten members of the German armed forces.

On March 3rd, the Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance (C4ISR) staff at NATO presented material on capability packages, generation methods and interoperability considerations. Later in the afternoon, NATO force/defense planners on multinational force planning best practices led a discussion with Drs.

DRMI. They are most appreciative of the efforts shown by Adm. Lange and his staff and colleagues in making them

Richter and Webb. That evening, Adm Lange, LTC Bartels, and Drs. Webb and Richter flew to Berlin, where they traveled by car to Strausberg. Arriving at 2330, the mayor of Strausberg, Hans Peter Thiefield, treated the four to soup and a drink. The following morning, Drs. Richter and Webb met with many personnel at the German Center for Transformation. They received briefings on transformation, requirements generation, analysis of future challenges, IT-based capability planning and had the opportunity to

see a capabilities-based system “hands-on” with personnel managing the system. Later that day, Drs. Webb and Richter and LTC Bartels had lunch at the Reichstag Coppola and then returned to Brussels that evening. Thursday, March 4th, Drs. Richter and Webb visited the Military Staff of the European Union (EUMS) and the European Defense Agency (EDA). One highlight of the trip was seeing the EDA’s approach to capabilities-based planning and looking through the database used to manage the system. welcome and providing them with stimulating and useful information. ■

Staff and Faculty News

Dr. Jomana Amara receives grant from Veterans Administration

The Veterans Administration (VA) awarded a grant to Dr. Jomana Amara to study traumatic brain injury (TBI) evaluation instruments and processes for clinical follow-up. Dr. Amara's primary aim to do describe and analyze how the TBI evaluation process relates to VA care patterns, accounting for the impact of co-occurring psychiatric

conditions and other relevant factors. Specifically, Dr. Amara's research will:

1: Measure the impact of patient and medical facility factors on rates of progression to Level 2 evaluations for veterans with a "positive" initial screening for TBI.

2: Measure the impact of patient- and medical facility factors on differential rates of clinical impression of TBI at Level 2 evaluations.

3: Measure the impact of patient and medical facility factors on differential rates of participation in follow-up care recommended at Level 2 evaluations. ■

Drs. Bob McNab and Jomana Amara receives Joint IED Defeat Organization (JIEDDO) grant

The Joint IED Defeat Organization (JIEDDO) awarded Drs. Bob McNab and Jomana Amara a grant to study the use of IEDs as a strategic weapon on a subnational level in Iraq. Drs. McNab and Amara are the leaders of the research team, which also includes Research Associate Kathleen Bailey.

The focus of this research is a follow on to "Scale Invariance with Specific Application to IED Violence in Iraq 2003-2007." (For a copy of this paper, see: <http://www.nps.edu/drmi/docs/DRMI%20Working%20Paper%2008-02.pdf>)

The research team will extend its research to investigate the dynamics of violence at the provincial level, focusing on each of the 18 provinces in Iraq and further disaggregate the analysis by type of weapons system. ■

NPS grants Dr. Anke Richter tenure

The Naval Postgraduate School (NPS) granted Dr. Anke Richter tenure. The following comments illustrated Dr. Richter's accomplishments that were significant in her candidacy.

"This award of tenure is in recognition of her work in combining mathematical modeling, operations research and economics to support resource management decision making in public

health operations. This has led to significant contributions to Navy Nurse Corps and Navy Medical Corps operations. This work also has found application in the Department of Homeland Security. Her multi-disciplinary approach is now being applied to pediatric asthma medication program analysis for TRICARE at the direction of the Office of the Secretary of Defense, Program Analysis and

Evaluation. Her intensive involvement in the educational mission of the NPS has contributed to eleven Master's theses, seven of which were at her direction, including one receiving the prestigious Admiral Boorda award for "Excellence in Manpower and Personnel Analysis" - the first ever such award to a NPS graduate student."

Congratulations, Dr. Richter! ■

Professor Emeritus Peter Frederiksen meets with Major General Wuttinun



Professor Emeritus Peter Frederiksen had lunch on 3 February 2009 in Bangkok, Thailand with Major General Leelayudth Wuttinun (IDMC 91-1 and SIDMC 02) of the Thai Army and gave him some "local" gifts, Pebble Beach golf memorabilia.

Professor Frederiksen updated MGEN Wuttinun on DRMI's newer course programs, highlighting the courses DRMI presented at Boeing. ■



Dr. Peter Frederiksen (left) gives MGEN Leelayudth Wuttinun (right) some "local" gifts

DRMI committee hires new faculty



Morris



McNab



Regnier



Webb

Drs. James Morris, Bob McNab, Eva Regnier and Natalie Webb comprised the committee to hire new DRMI faculty.

They received nearly 200 applications and worked through a process to narrow the

search to six final candidates. Drs. Regnier and Anke Richter attended the annual INFORMS conference, interviewing candidates in decision science, and Drs. McNab, Webb, and Jim Airola attended the Allied Social Sciences Meetings to interview economics/political science applicants. Three new faculty will start at DRMI in August. ■

NATO (Continued from page 1.)

Economic Cooperation and Development (OECD), The Organization for Security and Cooperation in Europe (OSCE), various non-governmental organizations (NGOs), including Transparency International, academic experts, and representatives from the defense industry. Conference outputs were delivered in April to heads of state attending the 60th Anniversary Strasbourg-Kehl NATO Summit.

NATO's new Building Integrity Initiative consists of four key pillars: a self assessment questionnaire; an education and training package; a compendium of best practices; and the development of a global network of experts. NPS faculty from the Defense Resources Management Institute (DRMI) and parts of

the School of International Graduate Studies (SIGS), have contributed to all four pillars of this initiative. The NATO conference reviewed progress on the first three pillars, and contributed directly to the fourth. The conference highlighted the importance of transparency in defense planning, programming and budgeting. Additionally, the conference addressed the role of accountability in both defense institutions and in industry relations. Transparency and accountability ensure member and partner countries collectively generate the most efficient and effective defense force possible for the alliance.

VADM Dan Oliver (Ret.), President of NPS, opened the conference by introducing the U.S. Assistant Secretary of Defense for Global Security Affairs, Mr. Joseph Benkert. In his opening remarks, Mr. Benkert discussed the importance of a comprehensive approach that includes security



Members of the Azzizi Group (U.S. Navy photo by Javier Chagoya.)

considerations while simultaneously building the capacity of defense and other key institutions in countries like Afghanistan. He indicated that this

means the military must increasingly work hand-in-hand with the U.S. State Department, the U.S. Agency for International Development (USAID), international organizations, NGOs, and others, to guarantee a lasting peace. As an example, he referred

to a Memorandum of Understanding (MOU) the Department of Defense (DoD) recently signed with the State Department and USAID to help coordinate future actions.

(See "NATO" on page 15.)



U.S. Assistant Secretary of Defense for Global Security Affairs, Mr. Benkert addressing NATO conference attendees (U.S. Navy photo by Javier Chagoya.)

"Building integrity, increasing transparency, and improving accountability – those are the pillars of our action."

– Aurelia Bouchez, NATO Deputy Assistant General of Political Affairs and Security Policy

NATO (Continued from page 14.)



VADM Daniel Oliver (Ret.), NPS president (left) speaking with Aurelia Bouchez, Deputy Assistant Secretary General of Political Affairs and Security Policy for NATO (U.S. Navy photo by Javier Chagoya.)

Aurelia Bouchez, Deputy Assistant Secretary General of Political Affairs and Security Policy for NATO, reaffirmed the importance of the comprehensive approach Benkert discussed, stating that, "Building integrity, increasing transparency, and improving accountability – those are the three pillars of our action."

Benkert and Bouchez established the conference's premise and key focal points, setting the stage for the keynote speaker, U.S. Marine Corps General (four stars) James N.

Mattis, NATO's Supreme Allied Commander Transformation, and Commander, U.S. Joint Forces Command. He spoke boldly and to the point, telling audience members, "This [conference] is absolutely fundamental to our success in defending our values."

"This effort in integrity building goes to the heart of our mission," Mattis continued. He cautioned fellow attendees that undertaking the just

cause of clarifying actions (accountability) can be "inconvenient, unprofitable and dangerous." Mattis, however, assured the audience that alliance members, and countries in need of their assistance, would reap the rewards. He concluded that, "Building integrity in the military results in improved political and economic conditions for the rest of the nation's efforts."

Parliament members, the head of Transparency

International, industry experts and UN, OECD, and World Bank staff, among others, presented several talks and participated in panel sessions throughout the remainder of the morning and afternoon. The panel sessions offered attendees an excellent opportunity to interact with panelists. The talks and question and answer sessions provided attendees with valuable information and ideas to actively participate in the six working groups the following day. The six working groups discussed:

- 1) reducing corruption risks and strengthening economic development;
- 2) reducing corruption risks in theatre;
- 3) building integrity through education;
- 4) raising industry standards;
- 5) building effective partnerships with civil society; and
- 6) reducing corruption risks in defense contracts.

After completing their discussions, the working groups each reported their findings to the

general audience. The final panel consisted of three speakers, including Clare Lockhart the co-author of a new book entitled, "Fixing Failed States," Mohammad Qurban Hajjo, Chief



U.S. Marine Corps General (four stars) James N. Mattis, addressing the NATO conference (U.S. Navy photo by Javier Chagoya.)

Executive of Afghanistan Chamber of Commerce and Industries (ACCI) and Dr. Francois Melese, Professor of Economics at NPS. NATO's international staff collected and processed the working groups' reports and handed out a set of draft recommendations; each working group subsequently reviewed and commented on the recommendations. NATO staff consolidated and integrated the comments into a report and a final set of recommendations that they presented at the NATO Summit, which marked the 60th anniversary of the alliance.

The conference closed with remarks by His Excellency, Ambassador Stewart Eldon, United Kingdom Permanent Representative to NATO, who praised the significance of the event and encouraged NATO's progress towards a more comprehensive approach to security.

The U.S. Office of the Secretary of Defense and DRMI co-sponsored the NATO conference. A DRMI-led team consisting of NPS faculty and staff, in collaboration with the United Kingdom branch of Transparency International, organized the conference. ■

*Quotes provided by Mass Communication Specialist Seaman John R. Fischer. For additional conference photos, please see: <http://www.nps.edu/PAO/PhotoGallery/Galleries/NATO2009>

Future Mobile Courses

Calendar Year 2009

Dates	Country
6 Apr – 7 Apr	Kyrgyzstan
9 Apr – 10 Apr	Tajikistan
12 Apr – 23 Apr	Iraq
4 May – 8 May	Honduras
11 May – 15 May	Bosnia & Herzegovina
11 May – 22 May	Lithuania
1 Jun – 12 Jun	Malaysia

Future Resident Courses

Calendar Year 2009

Course Name	Course Number	MASL Number	Dates	Duration (Weeks)	Pairing Option
Defense Resources Management Course	DRMC 09-2	P162002	20 Apr-14 May 09	4	
Defense Resources Management Course	DRMC 09-3	P162002	18 May-12 Jun 09	4	SGOP 09-1
Streamlining Government Through Outsourcing, Privatization, and Public-Private Partnerships	SGOP 09-1	P162011	18 May-22 May 09	1	DRMC 09-3
Senior International Defense Management Course	SIDMC 09-1	P162004	22 Jun-17 Jul 09	4	
Defense Resources Management Course	DRMC 09-4	P162002	20 Jul-13 Aug 09	4	MCDM 09-1
Risk Management	RISK 09-1	P162000	3 Aug-14 Aug 09	2	DRMC 09-5
Multi-Criteria Decision Making Course	MCDM 09-1	P162012	17 Aug-28 Aug 09	2	DRMC 09-4
Defense Resources Management Course	DRMC 09-5	P162002	17 Aug-11 Sep 09	4	RISK 09-1 or BPEA 09-1
Budget Preparation, Execution and Accountability	BPEA 09-1	P156600	14 Sep-23 Sep 09	1.3	DRMC 09-5
International Defense Management Course*	IDMC 09-2	P162003	21 Sept-4 Dec 09	11	

* This course convenes in one fiscal year and continues into the next fiscal year.

DRMI Brochure

The 2009 Defense Resources Management Course brochure is now available. If you would like copies, please contact the Admin Office at 831-656-2104 (DSN 756) or send

e-mail to DrmiAdmin@nps.edu For additional information on any of our resident courses please contact Kathi Noyes at (831) 656-2104 or e-mail DrmiAdmin@nps.edu

Newsletter staff

Natalie J. Webb: Editor
Kathleen Bailey: Editorial Assistant
& Content Layout
Stephen Hurst: Website Production



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